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SPECIAL ASSISTANT FOR RESEARCH & INTELLIGENCE

DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

OFFICE OF CHINESE AFFAIRS
JUL 21 1950
DEPARTMENT OF STATE

PERSONAL FOR

1950 JUL 21 AM 8:34

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ROUTINE

PARAPHRASE NOT REQUIRED

FROM: AST AMILAT TAIPEI FORMOSA SGD POSTON

TO : DEPTAR WASH DC FOR CHINESE

OFFICE OF CHINESE AFFAIRS
SEP 12 195
DEPARTMENT OF STATE

NR : MP 6

18 JUL 50

PERSONAL FOR BOLLING.

Following: From foreign source Shanghai F3 Soviets have agreed supply Chinese Commies 200 aircraft of which 50 light bombers to counteract action of US for protection Formosa. Further states Commies preparing launch attack Formosa about 1st September. Factors which Commies consider of sufficient weight to defer attack are:

1. US troops Formosa,

2. Overthrow of Chiang regime,

3. Start of US negotiations for recognition of Chinese Commies.

Comment: While I cannot confirm above I believe Commies intend hit Formosa this year. Have given AIRA Taipei partial confirmation above in form MND reports Soviets turning over to Commies 45 light bombers piloted principally by Japs and Germans of which 12 to be stationed Shanghai. Further indication of above comes from my confidential source showing all Commie Navy and Air under complete control of Russians and though large troop maneuvers to north and Indo China frequently reported his intelligence indicates only few units which not completely identified have moved.

New subject. Following B1: Sun Li-Jen is in serious difficulty with Gimo ostensibly over Li Hung former Commander Seventh Army in Manchuria, Chen Ming-Jen former Commander 38th Division and Peng Ke-Li also highly regarded

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by US. All formerly captured by Commies and brought to Taiwan and guaranteed by Sun. Now accused of being Communists. Sun believes they will be tortured for confessions and he will eventually receive same treatment.

Li, Chen, and Peng brought to Taipei and turned over by Sun 8 July after frequent demands by Gimo in course of which Gimo accused Sun of working "for other foreign powers" and disobedience of orders. Li who is personal friend of mine and had knowledge I knew his difficulties requested I not try see him on arrival Taipei as this might further damage Sun's position.

Sun and Aide Herbie King greatly disturbed over persecution because seeing too much of Americans. Neither can now leave the island. US source B2 states further indication of Sun disfavor occurred when Sun overriding pressure from Chou Chi-Jou and Chen Cheng attempted recommend at Gimo conference use of either 6th or 80th Army for Korea and was cut short by Gimo.

New subject: Source which usually highly reliable reports Mao Sen now head of secret police with Mao Jen-Fang and two immediate predecessors under arrest. Other recent Tang En-Po men appointed to high positions are Shih-Chueh and Hu Hsing to north Taiwan defense area.

New subject: Chiang Ching-Kuo and political section make up additional police group whose function acts as check and who are attempting and in some instances have succeeded in securing right to countersign all operational orders before they are effective. Some sources state reason for secret police revival due opinion Wang Shih-Chieh that loss mainland due inadequate secret police force.

New subject: Following A1 Kwei and staff highly upset over state of affairs principally due to supply and

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political interference. Conversation indicated drastic change must take place.

New subject: Chinese who pro-American and anti-Jap who graduated last week from Tsao-Shan Staff School Rungy Tomita told RO that Jap instructors openly attack US and US armed forces. Jap group personally highly praised by Gimo following the abortive maneuver 25 June.

New subject: Both Formosans and Chinese feel "spy scare" but actually police state has gone too far. Even farmer care becoming critical. Many Formosans prefer Commies to present regime whose police actions directed against others under guise of Communism. Present roster of peace preservation jail from confidential source B3 shows students, Independence League and Third Party League exceed Communists. MND secret police jail has over 900.

New subject: Div commander who now elevated to Army Corps Commander and highly regarded by Sun, Chen and MND told RO 13 July that though his division best trained on island and ready and willing to fight Commies and defend Taiwan, due poor supply situation could only give as good account of selves as ammo would permit. Stated since our last talk, which two months ago, only improvement Taiwan was in intelligence. Stated G2 is now watching arrivals from Hong Kong for two weeks after arrival. Further stated that unless men surrounding Gimo changed, hope for improvement dim.

New subject: Have received no further info on Japs in mountains other than distributed in groups of 50 and 60 and still fanatically anti Nationalist and therefore sympathetic to Commies. Expect complete report within week.

New subject: Chinese source C3. Plan to turn over 198th Div of 54th Army in event Commie attack discovered

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resulting arrest of Vice Commander and Chief of Staff. Note this division stationed on east coast where Commie infiltration has been reported and one agent captured who claimed to have been landed from Soviet submarine.

Comment: I consider conditions Taiwan worse than any time since my arrival there. Army command badly split and highly suspicious each other. Even Sun G Temee will not discuss Nationalist OB without sgd order from Sun and even then hesitant. It appears to me that US is in position of again being damned if we do and damned if we don't. Further help to Gimo will only entrench his position and keep in Mao-Sen, Tang En-Po, Chen Cheng, Chen Li-Fu, Chen Kuo-Fu, Chang Ching-Kuo and the lesser lights all of whom hated by Chinese generally. This course will not enhance possibility defense Formosa. Command is too divided and if Commie troops succeed in getting ashore they will be assisted by Commies and Japs in mountains. The reason for continuing defections any possible defections is not because people like Commies but comes from hatred present setup.

Army, all groups, highly incensed over present lack of relief in supply and preferential treatment given armored force which they distrust. As previously reported supply cannot improve without thorough shake up. Further hampered by fear of secret police. All levels, except top, hope US will handle supply.

People as a whole following Truman's statement are looking forward to emancipation. This evidenced by attitude Formosans and Chinese lesser lights and increase crackpot letters received, as time goes on and no further US announcement re Chiang enthusiasm waning.

Formosa, if reports from Commie aide are true cannot be defended by Seventh Fleet alone. If Commies land

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Formosa, agents interior, dissention, natural distrust and bungling of Chiang and Ministry of National Defense will be effective weapons their side.

The Chinese, though they should be able to see that US's position is such any regime must be aided, will not attempt overthrow of present regime without definite assurances US backing. Some in desperation may attempt overthrow but success unlikely due Chiang's strongly entrenched position in north Taiwan.

If US troops dispatched Taiwan I feel while effect would be morale booster they would also be expected to do majority of fighting.

It is most presumptious for me to consider my opinions of sufficient value to warrant a radio of this length, also for me to make recommendations on future US action, but I regard present situation serious and likely to endanger 7th Fleet and future of the US. I recommend: (1) Chiang be apprised our knowledge his pro Jap and anti US position and that demands be made that all Japs of Tomita group, Nemoto, and recent arrivals be returned immediately. (2) That a public statement be issued that only after Chiang crown council is removed completely from China; will US aid be forthcoming. Those such as Tang En-Po, Chen Li-Fu et cetera should be named specifically. (3) Chiang, the Chinese, and Formosans be informed that only a truly representative government with a truly Chinese Army, Navy, and Air Force will be looked upon with favor; the feudal system and secret police system must go. (4) That US aid that is sent be under close US supervision and direction and in the event directions are not followed the 7th Fleet and all US support will go.

Our present position is too precarious in the Far East to follow any other policy. It should let all Far

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Eastern peoples know we are not supporing dynasties, but our goal is peoples freedom.

ACTION: GEN IRWIN

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